GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2442
ANSWERED ON:30.07.2002
POLICY U-TURN TO HELP LOSS MAKING FACT AND MFL
V. VETRISELVAN

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government is in the process of finalizing a policy U-turn to help the loss making fertilizer unit of FACT and MFL;

(b) if so, the details of the policy;

(c) whether the loss making fertilizer units would be benefited thereby; and

(d) if so, the time by which the policy is likely to be finalized?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI TAPAN SIKDAR)

(a) to (c): The Disinvestment Commission has categorized fertilizerPublic Sector Undertakings (PSUs) including Fertilizers and Chemicals Travancore Ltd. (FACT) and Madras Fertilizers Ltd(MFL) and it has been decided to disinvest 51%of GOI held equityin FACT and 32% in MFL as per Government's policy which is tobring down its equity in non-strategic PSUs to 26% or lower. In addition, the Government has approved the waiver of interest of Rs.65 crores out of the outstanding interest as on 31.3.2002 on Government loans to MFL. Under the financial restructuring in

March, 2002, reliefs and concessions to FACT in the form of waiverof Rs.226.88 crore on account of interest on Government of India (GOI) loans outstanding as on 31.3.2002, waiver of interest,moratorium on repayment of outstanding loan of Rs.378.20 crore and waiver of penal interest upto 31.3.2002 have been given.

(d) : The disinvestment process of these PSUs is at an initial stage.